

PART III

(a) A corporate credit union which has met the requirements of paragraph (a) of either Part I or Part II of this Appendix may invest in:

(1) Debt obligations of a foreign country; and

(2) Deposits in, the sale of federal funds to, and debt obligations of foreign banks or obligations guaranteed by these banks.

(b) All foreign investments are subject to the following requirements:

(i) Short-term investments must be rated no lower than A-1 (or equivalent);

(ii) Long-term investments must be rated no lower than AA (or equivalent);

(iii) A sovereign issuer, and/or the country in which a bank issuer/guarantor is organized, must be rated no lower than AA (or equivalent) for political and economic stability;

(iv) A bank issuer/guarantor must be rated no lower than AA;

(v) For each approved foreign bank line, the corporate credit union must identify the specific banking centers and branches to which it will lend funds;

(vi) Non secured obligations of any single foreign issuer may not exceed 150 percent of the sum of reserves and undivided earnings and paid-in capital; and

(vii) Non secured obligations in any single foreign country may not exceed 500 percent of the sum of reserves and undivided earnings and paid-in capital.

PART IV

A corporate credit union which has met the requirements of paragraph (a) of either Part I or Part II of this Appendix may engage in derivatives transactions which are directly related to its financial activities and which have been specifically approved by NCUA. A corporate credit union may use such derivatives authority only for the purposes of creating structured instruments and hedging its own balance sheet and the balance sheets of its members.

[62 FR 12938, Mar. 19, 1997, as amended at 63 FR 24105, May 1, 1998]

PART 705—COMMUNITY DEVELOPMENT REVOLVING LOAN PROGRAM FOR CREDIT UNIONS

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AUTHORITY: 12 U.S.C. 1772c-1; 42 U.S.C. 9822 and 9822 note.

SOURCE: 58 FR 21646, Apr. 23, 1993, unless otherwise noted.

§ 705.0 Applicability.

Monies from the Community Development Revolving Loan Fund for Credit Unions are governed by this part.

§ 705.1 Scope.

(a) This part implements the Community Developments Revolving Loan Program for Credit Unions (Program) under the sole administration of the National Credit Union Administration.

(b) This part establishes the following:

(1) Definitions;

(2) The application process and requirements for qualifying for a loan under the program;

(3) How loan funds are to be made available and their repayment; and

(4) Technical assistance to be provided to participating credit unions.

§ 705.2 Purpose of the program.

(a) The Community Development Revolving Loan Program for Credit Unions is intended to support the efforts of participating credit unions through loans and technical assistance to those credit unions in:

(1) Providing basic financial and related services to residents in their communities; and

(2) Stimulating economic activities in the communities they service which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

(b) The policy of NCUA is to revolve loan funds to qualifying credit unions as often as practical in order to gain maximum economic impact on as many participating credit unions as possible.

§ 705.3 Definitions.

(a)(1) The term “low-income members” shall mean those members who make less than 80 percent of the average for all wage earners as established by the Bureau of Labor Statistics or